



**JACKSON TOWNSHIP
PERRY COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

JACKSON TOWNSHIP
PERRY COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Jackson Township
Perry County
2933 Run-a-Round Road
Junction City, Ohio 43748

To the Board of Trustees:

We have audited the accompanying financial statement of Jackson Township, Perry County, Ohio (the Township), as of and for the year ended December 31, 1999. This financial statement is the responsibility of the Township's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Township prepares its financial statement on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the combined fund cash balances of Jackson Township, Perry County, as of December 31, 1999, and its combined cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 2, 2001, on our consideration of the Township's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

January 2, 2001

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**JACKSON TOWNSHIP
PERRY COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1999**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
Cash Receipts:			
Local Taxes	\$ 19,902	\$ 109,514	\$ 129,416
Intergovernmental	27,135	78,398	105,533
Earnings on Investments		610	610
Other Revenue		4,708	4,708
	47,037	193,230	240,267
Total Cash Receipts	47,037	193,230	240,267
Cash Disbursements:			
Current:			
General Government	52,506		52,506
Public Safety	50	60,325	60,375
Public Works		77,597	77,597
Health	510		510
Debt Service:			
Redemption of Principal		8,945	8,945
Interest and Fiscal Charges		2,629	2,629
Capital Outlay		71,216	71,216
	53,066	220,712	273,778
Total Cash Disbursements	53,066	220,712	273,778
Total Cash Receipts Over/(Under) Cash Disbursements	(6,029)	(27,482)	(33,511)
Other Financing Receipts/(Disbursements):			
Other Sources	17		17
	17	0	17
Total Other Financing Receipts/(Disbursements)	17	0	17
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(6,012)	(27,482)	(33,494)
Fund Cash Balances, January 1	19,750	101,861	121,611
Fund Cash Balances, December 31	\$ 13,738	\$ 74,379	\$ 88,117

The notes to the financial statement are an integral part of this statement.

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**JACKSON TOWNSHIP
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Jackson Township, Perry County (the Township), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Township is directed by a publicly-elected three-member Board of Trustees and a publicly-elected Clerk. The Township provides general governmental services, including road and bridge maintenance. The Township contracts with the Village of Junction City to provide emergency medical services and fire protection.

The Township's management believes the financial statement presents all activities for which the Township is financially accountable.

B. Basis of Accounting

The financial statement follows the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

The statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The Township uses fund accounting to segregate cash and investments that are restricted as to use. The Township classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Funds

These funds are used to account for proceeds from specific sources that are restricted to expenditure for specific purposes. The Township had the following significant Special Revenue Funds:

Motor Vehicle License Tax Fund - This fund receives motor vehicle license tax money for constructing, maintaining and repairing Township roads.

Gasoline Tax Fund - This fund receives gasoline tax money for constructing, maintaining and repairing Township roads.

Road and Bridge Fund - This fund receives property tax money for constructing, maintaining and repairing Township roads and bridges.

**JACKSON TOWNSHIP
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting (Continued)

2. Special Revenue Funds (Continued)

Fire District Fund - This fund receives property tax money to provide fire protection to the residents of the Township through a contract with the Village of Junction City.

EMS Fund - This fund receives property tax money to provide emergency medical services to the residents of the Township through a contract with the Village of Junction City.

D. Budgetary Process

The Ohio Revised Code requires that each fund be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, or object level of control, and appropriations may not exceed estimated resources. The Board of Trustees must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Township to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 1999 budgetary activity appears in Note 3.

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statement.

F. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the basis of accounting used by the Township.

**JACKSON TOWNSHIP
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 1999
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Township maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>1999</u>
Demand Deposits	<u>\$ 88,117</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation and collateralized by the financial institution's public entity deposit pool.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 1999, follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 37,500	\$ 47,054	\$ 9,554
Special Revenue	<u>158,660</u>	<u>193,230</u>	<u>34,570</u>
Total	<u>\$ 196,160</u>	<u>\$ 240,284</u>	<u>\$ 44,124</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 57,250	\$ 53,066	\$ 4,184
Special Revenue	<u>260,521</u>	<u>220,712</u>	<u>39,809</u>
Total	<u>\$ 317,771</u>	<u>\$ 273,778</u>	<u>\$ 43,993</u>

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Board of Trustees. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statement as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located in the Township.

**JACKSON TOWNSHIP
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 1999
(Continued)**

4. PROPERTY TAX (Continued)

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Township.

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	Principal	Interest Rate
Equipment Loan	\$ 41,055	5.50%
Total	\$ 41,055	

The loan relates to the purchase of a tractor and mower. The Township entered into the loan agreement on October 3, 1998, for the amount of \$50,000. Repayment will be made in ten equal semiannual installments beginning April 3, 1999 and continuing until October 3, 2003. The loan is collateralized by the equipment purchased and is backed by the full faith and credit of the Township.

Amortization of the loan, including interest, is scheduled as follows:

Year ending December 31:	Equipment Loan
2000	\$ 11,574
2001	11,574
2002	11,574
2003	11,574
Total	\$ 46,296

6. RETIREMENT SYSTEM

The Township's elected officials and employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999, PERS members contributed 8.5% of their gross salaries. The Township contributed an amount equal to 13.55% of participants' gross salaries. The Township has paid all contributions required through December 31, 1999.

**JACKSON TOWNSHIP
PERRY COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 1999
(Continued)**

7. RISK MANAGEMENT

The Township has obtained commercial insurance for the following risks:

- General liability and casualty
- Public officials' liability
- Vehicles
- Property, including Electronic Data and Equipment

The Township also provides health insurance and dental and vision coverage to full-time employees and elected officials through a private carrier.

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND
ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Jackson Township
Perry County
2933 Run-a-Round Road
Junction City, Ohio 43748

To the Board of Trustees:

We have audited the accompanying financial statement of Jackson Township, Perry County, Ohio (the Township), as of and for the year ended December 31, 1999, and have issued our report thereon dated January 2, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Township's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Township in a separate letter dated January 2, 2001.

Jackson Township
Perry County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended for the information and use of the management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

January 2, 2001



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OFFICE OF THE AUDITOR

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JACKSON TOWNSHIP

PERRY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
FEBRUARY 08, 2001**